UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/943,905	08/31/2001	Simon McGuire	74577-014	2082

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EXAMINER
GRAHAM, CLEMENT B

ART UNIT	PAPER NUMBER
3696	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

	Application No.	**Applicant(s)**
Office Action Summary	09/943,905	MCGUIRE, SIMON
	Examiner	**Art Unit**	
	CLEMENT B. GRAHAM	3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *22 August 2008*.
2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-21* is/are pending in the application.
    4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) *1-21* is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
    a)☐ All   b)☐ Some *   c)☐ None of:
        1.☐ Certified copies of the priority documents have been received.
        2.☐ Certified copies of the priority documents have been received in Application No. _____.
        3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date *8/2/02, 8/22/08*.
4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____ .

DETAILED ACTION

1.   Claims 1-21, remained pending.

Claim Rejections - 35 USC § 101

2.   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3.   Claims 1 and 12, are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1, 12 recite a process for exchanging a financial note for a quantity of an a financial item comprising, calculating and delivering. Based on Supreme Court precedent, a proper process must be tied to another statutory class or transform underlying subject matter to a different state or thing (*Diamond v. Diehr,* 450 U.S. 175, 184 (1981); *Parker* v. *Flook,* 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson,* 409 U.S. 63, 70 (1972); *Cochrane* v. *Deener,* 94 U.S. 780,787-88 (1876)). Since neither of these requirements is met by the claim, the method is not considered a patent eligible process under 35 U.S.C. 101. To qualify as a statutory process, the claim should positively recite the other statutory class to which it is tied, for example by identifying the apparatus that accomplished the method steps or positively reciting the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.

Claims 1, and 12 are directed towards a computer based system comprising modules or steps. Modules or steps can be interpreted at consisting of software per se,

and software is not a patentable subject matter because it is not fall under a statutory

class as being a process, machine, manufacture, or composition of matter.

Claim Rejections - 35 USC § 102

4.   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that
form the basis for the rejections under this section made in this Office action:
    A person shall be entitled to a patent unless –
 (e) the invention was described in (1) an application for patent, published under section
122(b), by another filed in the United States before the invention by the applicant for
patent or (2) a patent granted on an application for patent by another filed in the United
States before the invention by the applicant for patent, except that an international
application filed under the treaty defined in section 351(a) shall have the effects for
purposes of this subsection of an application filed in the United States only if the
international application designated the United States and was published under Article
21(2) of such treaty in the English language.

5.   Claims 1-21, are rejected under 35 U.S.C. 102(e) as being anticipated by King

U.S Patent 6, 148, 293).

        As per claims 1, King discloses a computer system for exchanging a financial note for a

quantity of an a financial item comprising:

a calculating unit for calculating value of the note based upon a level of an index representative

of a first set of one or more financial items, the value of the note being expressed in a currency

(see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24

lines 60-65 and column 37 lines 31-57) and a transaction unit for delivering a quantity of a

second, different set of one or more financial items to the investor in exchange for the financial

note in the quantity being based upon a ratio of the calculated value of the note and price of the

one or more financial items in the second set (see column 7 lines 28-50 and column 12 lines 19-

48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

        As per claims 2, King discloses further comprising an index interface for receiving the

level of the benchmark index (see column 7 lines 28-50 and column 12 lines 19-48 and column

15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57) .

        As per claims 3, King discloses further comprising, a price interface for receiving the price

of the one or more exchange traded item financial items in the second set delivered to the

investor.

As per claims 4, King discloses wherein the calculating unit calculates the ratio (r) according to the equation r=I/(xo S), wherein I is the level of the benchmark index, x is a discount factor and S is the price of the one or more exchange traded item financial items in the second set (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57)

As per claims 5, King discloses further comprising an averaging unit for averaging the ratio (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 6, King discloses further comprising a first timing unit in communication with the averaging unit, the first timing unit controlling the averaging unit such that the ratio is averaged over a predetermined period of time (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 7, King discloses further comprising an input terminal allowing to input an exchange request (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 8, King discloses further comprising a selection unit for automatically selecting the one or more exchange traded item financial items in the second set for delivery to the investor from a portfolio of a plurality of financial items available to the issuer of the financial note (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 9, King discloses further comprising an output unit for notifying the investor of the selected one or more exchange traded item financial items in the second set for delivery to the investor (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 10, King discloses further comprising a second timing unit in communication with the transaction unit, the second timing unit controlling the transaction unit such that the at-4e~ one or more exchange traded item financial items in the second set is automatically delivered a predetermined period of time after receipt of an exchange request, after maturity of the financial note or after notification of the investor of the one or more exchange traded item

financial items in the second set selected for delivery (see column 7 lines 28-50 and column 12

lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 11, King discloses further comprising a coupon database for storing data

relating to at least one coupon date and a monitoring unit for monitoring the at least one coupon

date and is for delivering a coupon to investor at each coupon date (see column 7 lines 28-50 and

column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37

lines 31-57).

As per claims 12, King discloses an automated method for exchanging a financial note for a

quantity of an a financial item, comprising:

calculating of a value of the note based upon a level an index representative of a first set of one

or more financial items, the value of the note being expressed in a currency relative to a price of

an exchange traded item; and delivering a quantity of t-he a second, different set of one or more

exchange traded item financial items to the investor in exchange for the financial note the

quantity being based upon a ratio of the calculated value of the note and price of the one or more

financial items in the second set (see column 7 lines 28-50 and column 12 lines 19-48 and

column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 13, King discloses further comprising calculating the ratio (r) according to the

equation $r=I/(x. S)$, wherein I is the level of the index, x is a discount factor and S is the price of

the on one or more exchange traded item financial items in the second set (see column 7 lines 28-

50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column

37 lines 31-57).

As per claims 14, King discloses further comprising averaging the ratio over a predetermined

period of time and delivering the quantity of the one or more exchange traded item financial

items in the second set in accordance with the averaged ratio (see column 7 lines 28-50 and

column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37

lines 31-57).

As per claims 15, King discloses further comprising automatically selecting the one or more

exchange traded item financial items in the second set for delivery to the investor from a

portfolio of a plurality of financial items available to the issuer of the financial note (see column

7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 16, King discloses further comprising automatically selecting the one or more exchange traded item financial items in the second set for delivery to the investor at a time in close proximity with an exchange request or with maturity of the financial note (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 17, King discloses further comprising automatically notifying the investor of the selected one or more exchange traded item financial items in the second set of the issuer's portfolio to be delivered (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 18, King discloses further comprising automatically delivering the quantity of the one or more exchange traded item financial items in the second set a predetermined period of time after receipt of an exchange request, after maturity of the financial note or after notification of the investor of the one or more exchange traded item financial items in the second set selected for delivery (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 19, King discloses further comprising defining at least one coupon date, storing the at least one coupon date, automatically monitoring the at least one coupon date and delivering a coupon to investor at each coupon date (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 20, King discloses when the program is executed on a computer (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

As per claims 21, King discloses stored on a computer-readable recording medium (see column 7 lines 28-50 and column 12 lines 19-48 and column 15 lines 38-53 and column 24 lines 60-65 and column 37 lines 31-57).

Conclusion

6.   In response to Applicant's arguments filed 8/22/08 has been filly considered but there are moot in view of new grounds of rejections.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to CLEMENT B. GRAHAM whose telephone number is (571)272-6795. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thom Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Frantzy Poinvil/
Primary Examiner, Art Unit 3696

CG